Office of Health Care Access
Certificate of Need Application

Final Decision

Applicant:	**Stonington Behavioral Health, Inc. d/b/a Stonington Institute**
Docket Number:	**04-30362-CON**
Project Title:	**Ten Bed Expansion of Adolescent Residential Treatment Center in North Stonington**
Statutory Reference:	**Section 19a-638 of the Connecticut General Statutes**
Filing Date:	**June 16, 2005**
Hearing Date:	**July 28, 2005**
Presiding Officer:	**Cristine A. Vogel, Commissioner**
Decision Date:	**September 13, 2005**
Default Date:	**September 14, 2005**
Staff Assigned:	**Laurie K. Greci and Annie Jacob**

Project Description: Stonington Behavioral Health, Inc. d/b/a Stonington Institute ("Stonington" or "Applicant") proposes to add ten beds to its adolescent residential treatment center in North Stonington at a total capital expenditure of $916,442.

Nature of Proceedings: On June 16, 2005, the Office of Health Care Access ("OHCA") received the proposal of Stonington Behavioral Health, Inc. d/b/a Stonington Institute ("Stonington" or "Applicant") to add ten beds to its adolescent residential treatment center in North Stonington at a total capital expenditure of $916,442. The Applicant is a health care facility or institution as defined by Section 19a-630 of the Connecticut General Statutes ("C.G.S.").

On September 24, 2004, a notice to the public regarding OHCA's receipt of the Applicant's Letter of Intent to file its CON application was published in *The Day* (New London) pursuant to Section 19a-638, C.G.S. OHCA received several responses from the public requesting that a hearing be held on Stonington's CON application.

Pursuant to Section 19a-638, C.G.S. a public hearing regarding the CON application was held on July 28, 2005. On July 7, 2005, the Applicant was notified of the date, time and place of the hearing and on July 11, 2005, a notice to the public was published in *The Day* (New London). Commissioner Cristine A. Vogel served as Presiding Officer for this case. The public hearing was conducted as a contested case in accordance with the provisions of the Uniform Administrative Procedure Act (Chapter 54 of the Connecticut General Statutes) and Section 19a-638, C.G.S.

By petition dated July 22, 2005, Natchaug Hospital, Hartford Hospital, and Rushford Center, Inc., ("Intervenor"), collectively, requested Intervenor status with full rights of cross-examination regarding Stonington's CON application. The Presiding Officer denied the request of the Intervenor for full rights of cross-examination and assigned the Intervenor limited rights of participation.

The Presiding Officer heard testimony from the Applicant's and the Intervenor's witnesses, in rendering this decision, considered the entire record of the proceeding. OHCA's authority to review and approve, modify or deny the CON application is established by Section 19a-638, C.G.S. The provisions of this section as well as the principles and guidelines set forth in Section 19a-637, C.G.S., were fully considered by OHCA in its review.

Findings of Fact

Clear Public Need
Impact of the Proposal on the Applicant's Current Utilization Statistics
Proposal's Contribution to the Quality and Accessibility of Health Care Delivery in the Region

1. Stonington Behavioral Health, Inc. d/b/a Stonington Institute ("Stonington" or "Applicant") is a for-profit corporation licensed by the State of Connecticut Department of Public Health, the Department of Children and Families, and the Department of Education to operate the following:
   - A 45-bed Child Care Facility to provide Residential Treatment Center ("RTC") Services located on its North Stonington campus at 75 Swantown Hill Road, North Stonington, CT;
   - A Hospital for Mentally Ill Persons that provides a 4-bed adolescent psychiatric subacute unit on its North Stonington campus;
   - A 63-bed Facility for the Care or Treatment of Substance Abusive or Dependent Persons and A Mental Health Day Treatment Facility on the North Stonington campus;

- An outpatient Facility for the Care or Treatment of Substance Abusive or Dependent Persons and A Mental Health Day Treatment Facility located at 333 Long Hill Road, Groton, CT;
- An outpatient Facility for the Care or Treatment of Substance Abusive or Dependent Persons and A Mental Health Day Treatment Facility located at 428 Long Hill Road in Groton, CT;
- An outpatient Facility for the Care or Treatment of Substance Abusive or Dependent Persons located at 83 Boston Post Road in Waterford, CT; and
- An outpatient Facility for the Care or Treatment of Substance Abusive or Dependent Persons and A Mental Health Day Treatment Facility located at 86 Boston Post Road, Waterford.

(January 19, 2005, Initial CON Submission, Exhibit 10)

2. Stonington also operates a private special education school, the Stonington Institute School, for students in grades 9-12 at 428 Long Hill Road in Groton. The school is accredited by the Connecticut State Department of Education. *(January 19, 2005, Initial CON Submission, page 4)*

3. Stonington is accredited by the Joint Commission on Accreditation of Healthcare Organizations ("JCAHO") and is a credentialed provider under the state Medical Assistance Program (Medicaid) and the Department of Mental Health & Addiction Services General Assistance Behavioral Health Program. *(January 19, 2005, Initial CON Submission, page 4)*

4. The following towns are considered within the primary service are of Stonington Institute:

Bozrah	Groton	Montville	Preston
Colchester	Lebanon	New London	Salem
East Lyme	Ledyard	North Stonington	Sprague
Franklin	Lisbon	Norwich	Stonington
Griswold	Lyme	Old Lyme	Voluntown
			Waterford

(January 19, 2005, Initial CON Submission, page 26)

5. Stonington Behavioral Health, Inc. is a wholly owned subsidiary of Universal Health Services, Inc., a corporation formed under Delaware law in 1979. UHS has its principal executive offices in King of Prussia, PA. *(January 19, 2005, Initial CON Submission, Attachment 3)*

6. Stonington proposes to augment its residential services offered at the North Stonington campus by adding to its RTC a program that will serve adolescents ages 12 to 18 who have an IQ below 70. *(January 19, 2005, Initial CON Submission, page 4)*

7. The target population is adolescents with a diagnosis of a significant developmental disability and a co-occurring substance abuse and/or psychiatric disability. The Applicant stated that the target population may include adolescents with a diagnosis on the pervasive diagnosis disorder spectrum, some level of acquired or traumatic brain

injury ("TBI"), severe learning disabilities, congenital or chromosomal disorders, or a combination thereof. Treatment of these adolescents will be individualized and the presence or absence of a "mental retardation diagnosis", i.e. an IQ below 70, will be a factor of consideration in the admissions screen process. *(June 16, 2005, Completeness Response, pages 1 and 2)*

8. The goal of the proposed program is to enable adolescents in the target population to strengthen adaptive behaviors and to teach replacement behaviors and functional alternatives to maladaptive behaviors. The program has been designed to provide the maximum opportunity for integration of these adolescents into the mainstream of life at the North Stonington campus. *(June 16, 2005, Completeness Response, page 2)*

9. The Applicant stated that treatment will be conducted through a multidisciplinary team that will include nurses, social workers, behavioral specialist, psychologists, psychiatrists, and occupational therapists. Adolescents will receive medication, neurological testing, occupational therapy, and psychological assessment. *(June 16, 2005, Completeness Response, page 3)*

10. Stonington stated that the following staffing will be included with the program:
    - The Medical Director will be a board-certified psychiatrist and will be responsible for directing the overall medical aspects of the program;
    - A full-time Clinical Director, who will be a licensed psychologist, will oversee all clinical aspects of the program;
    - A multidisciplinary team of therapists, including art and recreation therapists, will provide seven-day per week clinical coverage with the program.
    - Nursing coverage will be available, on–grounds, each day, twenty-four hours per day; and
    - Direct care staff will be provided on a 1:1 staff-to-client ratio during the first shift to accommodate educational service needs, 1:2 on the second and third shifts.

    (June 16, 2005, Completeness Submission, page 3)

11. Stonington stated that it will develop relationships with primary care physicians within the community that have a demonstrated expertise in treating medical complications in developmentally disabled youth. *(June 16, 2005, Completeness Submission, page 3)*

12. Educational services provided on the North Stonington campus to the target population will be coordinated by staff from the Stonington Institute School. The educational services provided will be individualized for each student. *(June 16, 2005, Completeness Response, page 4)*

13. The Applicant stated that the proposal will be part of Stonington's continuum of care. The Applicant's Service Continuum Plan includes access to:
    - A mix of inpatient acute, sub-acute and residential treatment services;
    - Home-based treatment services including an ACT (Assertive Community Treatment) and an MST (multi-systemic therapy) program for clients after discharge;
    - An intensive outpatient program after discharge;

- Group home/foster home programming; and
- Outpatient psychiatric services to insure continuity of treatment as well as a seamless transition of medication management.

(January 19, 2005, Initial CON Submission, page 17)

14. Stonington supported the need for its proposal by citing the report from the Governor's Blue Ribbon Commission from July 2000 ("Blue Ribbon Report"). The Blue Ribbon Report recommended that programming sufficient to meet the need that exists in Connecticut be developed in-state in order to return children placed in out-of-state programs. *(January 19, 2005, Initial CON Submission, page 21)*

15. The Applicant stated that since the Blue Ribbon Report was issued, the number of children placed in out-of-state residential programs has increased. In the Blue Ribbon Report, the number of children placed out-of-state was stated to be more than 350. In the State of Connecticut Department of Children and Families ("DCF") 2004 Needs Assessment ("DCF Needs Assessment") the number was report to be 510. The DCF Needs Assessment also stated that 29.4% of those youth placed in out-of-state residential facilities have "mentally retarded, autistic, TBI" characteristics. The Applicant stated that approximately 150 of the 510 adolescents who meet the criteria of the target population are placed in out-of-state residential facilities. *(January 19, 2005, Initial CON Submission, page 21 and June 16, 2005, Completeness Response, page 7)*

16. The Applicant stated that the DCF Needs Assessment also documented that the out-of-state placements were made only after in-state providers were given the opportunity to admit the adolescents. *(January 19, 2005, Initial CON Submission, page 21)*

17. According to the Applicant, the DCF listed ten out-of-state programs into which youngsters with substance abuse, mental health and/or developmental disabilities have been placed. The ten programs were serving 81 youth as of July 2004. *(January 19, 2005, Initial CON Submission, page 23)*

18. The Applicant stated that there are no providers of specialized residential services for developmental disabled youth with co-occurring behavioral health disorders in the primary service area. *(January 19, 2005, Initial CON Submission, page 6)*

19. In Connecticut, two programs offer related services to developmentally disabled adolescents: Waterford Country School and Lake Grove at Durham, Inc. Waterford Country School is licensed by DCF to provide residential treatment and temporary shelter services in Waterford. Lake Grove is licensed by DCF to provide residential treatment in Durham. The Applicant stated that neither of the two facilities has a program for the target population. *(June 16, 2005, Completeness Response, page 7)*
20. The Applicant stated that since January 1, 2004, several clients with IQs below 70 who have a co-occurring substance abuse and/or psychiatric disability have been admitted to Stonington's RTC. *(June 16, 2005, Completeness Response, page 2)*

21. The expected length of stay provided by the Applicant was 9 to 12 months. The Applicant has projected that the following admissions: 7 in FY 2005; 12 in FY 2006; and 13 in FY 2007. *(June 16, 2005, Completeness Response, page 5)*

22. The Applicant reported the following statistics for its current Residential Treatment Center program on the North Stonington campus.

Table 2: Residential Treatment Center Client Statistics

Parameter	2002	2003	2004	2005*
Cases Open on January 1	22	35	43	45
Number of Admissions	54	56	50	11
Total Cases Served	54	56	50	56
Total Bed Days	9,969	14,410	16,395	5,954
Cases Discharged	41	44	48	11
Average Length of Stay	185 days	257 days	328 days	132.3

* Includes partial year (January through May)
(June 16, 2005, Completeness Response, pages 22 to 25)

23. The most common placements before admission for FY 2002 through FY 2005 as reported by Stonington were home, another social service facility, or a hospital; the most common placements after discharge for FY 2002 through FY 2005 were another social service facility, usually a DCF facility, detention or probation, and home. *(June 16, 2005, Completeness Response, pages 22 to 25)*

24. The Applicant provided the following table that summarizes client admissions, by county and year, into Stonington's RTC by the DCF Central Placement Team:

Table 3: Summary of Client Admission by County and Year

	Count of Client by Year			
County	**2002**	**2003**	**2004**	**County Total**
Fairfield	6	7	9	22
Hartford	15	11	12	38
Litchfield	2	9	6	17
Middlesex	4	4	3	11
New Haven	15	14	19	48
New London	5	3	0	8
Tolland	0	2	0	2
Windham	5	4	0	9
Client Total	55	56	50	161

(January 19, 2005, Initial CON Submission, pages 36 to 38)

25. The Applicant stated that the placement of youth from outside its primary service area reflected the lack of alternative appropriate treatment options for such youth in their counties of residence. *(June 16, 2005, Completeness Submission, page 5)*

26. Stonington stated that it will meet the guidelines applicable to the proposal through appropriate staffing, continuing education and oversight by its professional staff. The Department of Public Health will monitor compliance through its regulatory oversight. The proposal will also be subject to accreditation by JCAHO. *(January 19, 2005, Initial CON Submission, page 7)*

27. William Aniskovich, Chief Operating Officer for Stonington, testified at the hearing that:
    - There are 150 youth under DCF care that meet the criteria for placement in the proposed program, 29.4% are currently placed out-of-state;
    - The needs of those youth cannot be met within Connecticut ("the State") and therefore DCF places them in an out-of-state facility with rate structures approved by the State;
    - The proposal will support families who are looking for appropriate care within their community for those children who do not meet the criteria for placement in another level of care;
    - Better clinical outcomes result when a youth is placed within close proximity of their family, allowing for more regular and intensive treatment inclusive of all family members;
    - The treatment modality for the target population is less dialectic and more behavioral and the approach and the delivery of treatment will be different from the approach used in the regular RTC; and
    - The availability of those specialized services will prevent the need for future out-of-state placements and will provide a resource for those payers who are looking for options at the residential level for those youth who fail in less intensive levels of care.

    (July 28, 2005, Hearing Testimony, William Aniskovich)

28. The Juan F. Consent Decree[1] ("decree") states that the percentage of DCF youth in a residential placement must be reduced from 14% to 11%. The most recently quarterly identifies "the need for more preventive services, additional specialized placement resources, internal reallocation of funds, and for services to eliminate extensive wait lists. Otherwise outcome measure 15 that requires that the children's needs be met will be very difficult, if not impossible, to meet." *(July 28, 2005, Applicant's Exhibits 1 and 2, pages 7 and 3, respectively)*

[1] The Juan F. /Consent Decree was a result of a federal class action suit filed against the DCF that challenged DCF's management, policies, practices, operations, funding, and protocols concerning abused and neglected children in its custody and those who might come into its custody.

29. Mr. Aniskovich testified that the need demand for the proposed program comprises several referral sources:
    - The Juan F. population youth of DCF who are subject to the court monitor restriction;
    - The non-Juan F. population of DCF, which includes juvenile justice children and 125 adolescents that were transferred from DCF to the State of Connecticut Department of Mental Retardation ("DMR");
    - Individuals currently placed, inappropriately, in a residential treatment center; and
    - Those with an alternate payment source, such as self-pay or private insurance.

    (July 28, 2005, Hearing Testimony, William Aniskovich)

30. Non-local service is more costly than in-state service. Out-of-state placements result in the expenditure of actual dollars when family must travel to the facility to attend family therapy session. Visits to home by the adolescent are more costly. *(July 28, 2005, Hearing Testimony, William Aniskovich)*

31. In Stonington's experience when developing a new specialized area of residential treatment a small manageable unit is easy to administer. The proposed ten-bed size is appropriate in terms of delivering treatment in a group format, available space, and mainstreaming the target population with the current residential treatment center adolescents on site in North Stonington. *(July 28, 2005, Hearing Testimony, William Aniskovich)*

32. The Applicant does not intend to pursue a contract with DCF, but will respond to a Request for Proposal from DMR for placement of adolescents within the proposed unit. *(June 16, 2005, Completeness Response, page 2)*

33. Dr. Steven Larcen testified at the hearing on behalf of Natchaug Hospital, Hartford Hospital, and Rushford Center, Inc. ("Intervenor"). He stated that the reason there are children placed in facilities out-of-state are complex. There is only a certain amount of capacity and some adolescents in a residential setting cannot be discharged until there is a home available for them. Youth end up being in residential treatment longer than necessary and are saturating the residential capacity. With the implementation of KidCare[2] and with more children being treated within the community, residential care in Connecticut is being freed up. *(July 28, 2005, Hearing Testimony, Dr. Steven Larcen)*

34. The Intervenor was unable to state what the effect of Stonington's proposal would be on their health care facilities. The Intervenor testified that without a contract to provide the service they were unable to evaluate the economic feasibility of the proposal. The Intervenor stated that the number of adolescents within the proposed target population that are treated in their facilities would be two to three, in total, at any given time. *(July 28, 2005, Hearing Testimony, Dr. Steven Larcen)*

35. At OHCA's request, the Intervenor submitted a late file containing information on adolescents in the target population admitted to Natchaug Hospital and Hartford

[2] KidCare refers to the Connecticut Community KidCare a statewide program designed to coordinate, finance, and deliver behavioral health services to children and their families.

Hospital. The Intervenor stated that Rushford Center, only in its first years of operations, did not admit any adolescents during the requested fiscal years. The late file reported 76 patients that met the criteria, Natchaug having admitted 27 and Hartford admitted 49, over the three year period.

Table 4: Summary of Intervenor Discharges FY 2002, 2003, and 2004

Year and Facility	Number of Adolescents	Average Length of Stay (days)	Admission Referral*	Discharge Referral**
2002-Natchaug	10	13.5 days	6 ED; 4 PHP	5 OP; 4 PHP; 1 Residential OOS
2003-Natchaug	10	22.2	10 ED	4 OP; 3 PHP; 2 Residential; 1 Not Listed
2004-Natchaug	7	17.4	6 ED; 1 PHP	3 OP; 3 PHP; 1 Residential
2002-Hartford Hospital	22	49.6	18 ED; 3 Other	8 OP; 1 IP ;3 Residential; 3 IOL or PHP; 7 Other
2003-Hartford Hospital	18	10.3	15 ED; 3 IOL	2 OP; 6 IOL or PHP; 2 Residential; 4 Extended Day Treatment; 4 Other
2004-Hartford Hospital	9	10.7	8 ED; 1 IOL	1 OP; 1 Residential; 1 Residential OOS; 2 IOL or PHP;1 Extended Day Treatment;3 Other

*ED = Acute Care Hospital Emergency Department; PHP = Partial Hospital Program
** OP = Outpatient; OOS = Out-of-State Facility; IP = Inpatient; IOP = Intensive Outpatient Program
(August 12, 2005, Intervenor's Late File Submission)

Impact of the Proposal on the Interests of Consumers of Health Care Services and Payers for Such Services
Financial Feasibility of the Proposal and its Impact on the Applicant's Rates and Financial Condition
Consideration of Other Section 19a-637, C.G.S. Principles and Guidelines

36. Stonington's proposed total capital expenditure of $916,442 consists of the following capital cost components:

Table 5: Proposed Total Capital Expenditure Components

Description	Amount
Renovations	$817,544
Medical Equipment (Purchase)	12,286
Non-Medical Equipment (Purchase)	86,612
Total Capital Expenditure	**$916,442**

(June 16, 2005 CON Completeness Response, page 9)

37. The proposal's projected capital expenditures for renovations include the following cost components:

Table 6: Stonington's Proposed Capital Expenditures for Renovations

Description	Total
Building Work	$784,044
Site Work	18,500
Architecture & Engineering	15,000
Contingency	(included)
Total Renovation Expenditure	**$817,544**

(June 16, 2005, CON Completeness Response, page 9)

38. Stonington's projected incremental revenue from operations, total operating expense and gain from operations associated with the CON proposal are as follows:

Table 7: Stonington's Incremental Financial Projections for FY 2005, FY 2006 and FY 2007

Description	FY 2005*	FY 2006	FY 2007
Revenue from Operations	$1,123,389	$2,273,028	$2,341,219
Total Operating Expense	$825,441	$1,377,334	$1,419,879
Gains from Operations	**$297,948**	**$895,694**	**$921,340**

* Based on last six months of FY 2005.

(July 25, 2005, Applicant's Objection to Joint Petition for Intervenor Status, Exhibit A)

39. Stonington's incremental revenue from operations is based on a per diem room and board rate and a per diem educational rate. In FY 2005, 2006, and 2007, Stonington reported that its per diem room and board rates would be $525, $525, and $541, respectively. In FY 2005, 2006, and 2007, Stonington reported that its per diem educational rates would be $198, $198, and $204, respectively. *(June 16, 2005, Completeness Response, page 47)*

40. Stonington's projected incremental expense from operations consists of the following components:

Table 8: Stonington's Projected Incremental Expense from Operations FY 2005, FY 2006 and FY 2007

Description	FY 2005*	FY 2006	FY 2007
Labor Expenses			
Direct Employee Compensation	$626,006	$1,074,644	$1,106,884
Employee Benefits	56,967	99,502	103,711
Employment Taxes	58,161	99,843	102,838
Total Labor Expenses	741,134	1,273,989	1,313,433
Non-Labor Operating Expenses**	84,307	103,345	106,445
Total Operating Expenses	**$825,441**	**$1,377,334**	**$1,419,879**

* Based on last six months of FY 2005
** Includes cost of supplies, travel/education, maintenance and general and administration overhead.
(June 16, 2005, Completeness Response, page 47))

41. The proposal's capital expenditure will be funded by the Applicant's equity contribution and financing. *(January 19, 2005, Initial CON Submission, page 11)*

42. Stonington's projected payer mix during the first three years of operation is as follows:

Table 9: Three-Year Projected Payer Mix with the CON Proposal

Payer Mix	Year 1	Year 2	Year 3
Education	11.9%	11.9%	11.9%
Medicaid	41.6%	39.6%	37.6%
Contract Revenues	33.6%	33.6%	33.6%
Total Government	**87.2%**	**85.2%**	**83.2%**
Commercial Insurers	10.8%	12.8%	14.8%
Self Pay	0.7%	0.7%	0.7%
Workers Compensation	0%	0%	0%
Total Non-Government	**11.4%**	**13.4%**	**15.4%**
Uncompensated	**1.4%**	**1.4%**	**1.4%**
Total Payer Mix	**100%**	**100%**	**100%**

(January 19, 2005, Initial CON Submission, page 379)

43. The Applicant stated that the program will be open to admissions from all referral sources within the community, including the adolescents' families. It will accept

referrals from all interested parties seeking admission on a case-by-case basis. *(June 16, 2005, Completeness Response, page 2)*

44. The payer source is not factored into how the adolescents are placed into a treatment program. Stonington provides care for self pay, commercially insured, Medicaid, Medicaid managed care and a small percentage of free care. *(July 28, 2005, Hearing Testimony, William Aniskovich)*

45. The ten bed expansion will be located in the Main Building at the center of the North Stonington campus. The building has approximately 6,622 square feet of space. The building will include the clinical and educational programs for the target population. *(January 19, 2005, Initial CON Submission, page 18 and June 16, 2005, Completeness Response, page 8)*

46. The Applicant stated that there will be no disruption in the delivery of care as there are no clients currently housed or treated in the Main Building. *(June 16, 2005, Completeness Response, page 9)*

47. There is no State Health Plan in existence at this time. *(January 19, 2005, Initial CON Submission, page 4)*

48. The Applicant has adduced evidence that this proposal is consistent with their long-range plans. *(January 19, 2005, Initial CON Submission, page 5 and Exhibit 1)*

49. The Applicant's proposal will not result in a change to any teaching or research responsibilities. *(January 19, 2005, Initial CON Submission, page 9)*

50. There are no distinguishing characteristics of the client/physician mix of the Applicant. *(January 19, 2005, Initial CON Submission, page 9)*

51. The Applicant has the technical, financial and managerial competence to provide efficient and adequate service to the public. *(January 19, 2005, Initial CON Submission, Exhibit 7)*

52. The Applicant's rates are sufficient to cover its capital and operating costs. *(July 25, 2005, Applicant's Objection to Joint Petition for Intervenor Status, Exhibit A)*

53. The Applicant has improved productivity and contained costs through group purchasing and the application of technology. *(January 19, 2005, Initial CON Submission, page 8)*

Rationale

The Office of Health Care Access ("OHCA") approaches community and regional need for Certificate of Need ("CON") proposals on a case by case basis. CON applications do not lend themselves to general applicability due to a variety of factors, which may affect any given proposal; e.g. the characteristics of the population to be served, the nature of the existing services, the specific types of services proposed to be offered, the current utilization of services and the financial feasibility of the proposal.

Stonington Behavioral Health, Inc., d/b/a Stonington Institute ("Stonington" or "Applicant") proposes to establish a ten-bed residential treatment center ("RTC") program for adolescents with a diagnosis of a significant developmental disability and a co-occurring substance abuse and/or psychiatric disability. The Applicant stated that the target population may include adolescents with a diagnosis on the pervasive diagnosis disorder spectrum, some level of acquired or traumatic brain injury ("TBI"), severe learning disabilities, congenital or chromosomal disorders, or a combination thereof. Stonington proposes to renovate its Main Building on its campus at 75 Swantown Road in North Stonington to accommodate the proposed program. The estimated total capital expenditure to renovate the building and purchase equipment is $916, 442. The adolescents admitted to the program will receive specialized treatment and attend educational classes on the North Stonington campus.

The Applicant has based the need for the proposed program on the number of adolescents that the State of Connecticut Department of Children and Families has placed in facilities out-of-state. Stonington cited the report from the Governor's Blue Ribbon Commission from July 2000 ("Blue Ribbon Report"). The Blue Ribbon Report recommended that programming sufficient to meet the need that exists in Connecticut be developed in-state so that children placed in out-of-state programs may return for treatment in Connecticut. The Applicant stated that since the Blue Ribbon Report was issued, the number of children placed in out-of-state residential programs has increased. In the Blue Ribbon Report, the number of children placed out-of-state was stated to be more than 350. In the State of Connecticut Department of Children and Families ("DCF") 2004 Needs Assessment ("DCF Needs Assessment") the number was reported to be 510. The DCF Needs Assessment also stated that 29.4% of those youth placed in out-of-state residential facilities have "mentally retarded, autistic, TBI" characteristics. The Applicant stated that approximately 150 of the 510 adolescents who meet the criteria of the target population are placed in out-of-state residential facilities.

Stonington stated that the program's expected length of stay is 9 to 12 months. The longest average length of stay reported by the Intervenor in their late file submission was 49 days. It appears that the proposed program of Stonington is different from the programs currently provided by the Intervenor. Stonington stated that the treatment modality for the target population is less dialectic and more behavioral oriented and therefore, the approach and delivery of treatment provided to the target population will be different from the approach used in the regular RTC program.

OHCA cannot verify the number of clients that Stonington admitted into its dual-diagnosis RTC that would have been eligible for the new program. With a yearly average of over 50 clients, it is not unreasonable to expect that 10% of the clients may have benefited from the specialized services to be offered. Stonington has requested that the program have ten beds. The proposed ten-bed size is appropriate in terms of delivering treatment in a group format, the amount of space available on Stonington's campus in North Stonington, and the acuity of the adolescents that will admitted to the program.

The proposal is financially feasible. Stonington proposes to use operating funds to perform the renovations. The projected incremental gain in revenue from operation of the program was reported to be $297,948, $895,694, and $921,340 for Fiscal Years 2005, 2006, and 2007, respectively. Stonington's volume and financial projections upon which they are based appear to be reasonable and achievable; therefore the CON proposal will not adversely impact the interests of consumers and payers of such services.

OHCA finds that Stonington has demonstrated a need for the specialized program. There are adolescents residing in Connecticut that have sought treatment, some are treated in-state, but many have been treated out-of-state. It has the experience and facilities to offer a quality program that will improve access to specialized services and contribute to the continuum of health care services for the target population

Based on the foregoing Findings and Rationale, the Certificate of Need Application of Stonington Behavioral Health, Inc. d/b/a Stonington Institute to establish a ten-bed residential treatment center program for adolescents with a diagnosis of a significant developmental disability and a co-occurring substance abuse and/or psychiatric disability at 75 Swantown Road, North Stonington, Connecticut, at an associated capital expenditure of $916,442, is hereby GRANTED.

Order

Stonington Behavioral Health, Inc., d/b/a Stonington Institute's ("Stonington") proposed ten bed expansion of the adolescent residential treatment center located at 75 Swantown Road, North Stonington, Connecticut, at a total capital expenditure of $916,442 is hereby authorized subject to the following:

1. The authorization shall expire on September 14, 2007. Should the proposal not be completed by that date, Stonington must seek further approval from OHCA to complete the project beyond that date.

2. Stonington is authorized to add the ten-bed residential treatment center program for the treatment of adolescents aged 12 to 18 who have a diagnosis of a significant developmental disability and a co-occurring substance abuse and/or psychiatric disability. Stonington is authorized to add the ten-bed program for the target population under its Hospital for Mentally Ill Persons license issued by the State of Connecticut Department of Public Health. Upon issuance of the license, Stonington shall forward a copy to the Office of Health Care Access.

3. Stonington shall not exceed the approved capital expenditure of $916,442. In the event that the Applicants learn of potential cost increases or expects that the final project costs will exceed those approved, the Applicants shall file with OHCA a request for approval of the revised project budget.

4. Stonington shall shall file with OHCA utilization statistics for the ten bed program on a semi-annual basis for two full years of operation. Each semi-annual filing shall be submitted to OHCA by no later than one month following the end of each reporting period (e.g., January and July). The semi-annual reports shall include the following information by adolescent admitted, currently in treatment, or discharged:
   - Date of admission;
   - Age at admission;
   - Primary diagnostic codes;
   - Qualifying diagnostic codes;
   - Admission Referral;
   - Source(s) of Payment;
   - Date of discharge; and
   - Discharge Referral.

5. In the event that need for services change, Stonington must submit a Letter of Intent and complete the Certificate of Need process to reconfigure beds.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the
Office of Health Care Access

September 13, 2005

Signed by Cristine A. Vogel
Commissioner

CAV:lkg